ORIGINAL

## REED SMITH SHAW & McCLAY

1301 K STREET, N.W.

ITE 1100 - FAST TOWER

PITTSBURGH, PA SUITE 1100 - EAST TOWER

202-414-9237

JUDITH ST. LEDGER-ROTY

BY HAND DELIVERY

WASHINGTON, D.C. 20005 DOCKET FILE COPY ORIGINAL HARRISBURG, PA MCLEAN, VA

NEW YORK, NY

FAX 202-414-9299

202-414-9200

June 11, 1996

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FEDERAL COMMUNICATIONS COMMISSIE OFFICE OF SECRETARY

Mr. William F. Caton Acting Secretary Federal Communications Commission Room 222 1919 M Street, N.W. Washington, D.C. 20554

> In the Matter of Implementation of the Telecommunications Act of 1996,

Customer Proprietary Network Information,

CC Docket No. 96-115

Dear Mr. Caton:

Enclosed herewith for filing are the original and five (5) copies of Paging Network, Inc.'s Comments in the abovecaptioned proceeding. Please date-stamp the extra copy and return to the undersigned counsel in the enclosed self-address stamped envelope.

Very truly yours,

Judith St. Ledger-Roty

encl.

cc: Service List (w/encl.)

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### BEFORE THE

# Federal Communications Commission

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WASHINGTON, D. C.

JUN\_1\_1 1996

In the Matter of )

Implementation of the CC Docket No. 96-115

Telecommunications Carriers' )

Use of Customer Proprietary )
Network Information and Other )
Customer Information )

### PAGENET'S COMMENTS

Paging Network, Inc. ("PageNet"), by its undersigned counsel, hereby submits its comments in response to the Notice of Proposed Rulemaking released in this docket on May 17, 1996. PageNet is the world's largest and fastest growing paging company. It currently serves over seven million subscribers. It is in addition, a holder of three licenses from the FCC for narrowband personal communications service ("PCS") frequencies with which it is introducing a voice mail service known as VoiceNow<sup>SM</sup>. Voice Now<sup>SM</sup> competes with similar services offered by wireline carriers.

PageNet commends the Commission for initiating this rulemaking. It agrees that the requirements of Section 222 of the Communications Act (the "Act"), as added by Section 702 of the Telecommunications Act of 1996, should be interpreted and specified in greater detail.

The Commission seeks comments on its tentative conclusion that, for purposes of Section 222, distinctions among telecommunications services should be based on traditional service distinctions. 1 Under this approach, it further concludes, tentatively, that there are three distinct services: local, interexchange and commercial mobile radio services ("CMRS"). Id.

PageNet supports these conclusions. The proposed interpretation would appropriately balance customer interests in confidentiality with competitive considerations. The interpretation would limit the disclosure of customer proprietary network information ("CPNI") to third-parties and its use by carriers that provide them with their telecommunications services. It would also permit, however, greater efficiency in the marketing of related services without permitting dominant carriers, such as local exchange carriers ("LECs"), to use CPNI to gain an unfair advantage in an adjacent market.

PageNet will thus, for example, be able to use CPNI from its paging service to pin point prospects for its VoiceNow<sup>SM</sup> service. The ability to identify likely subscribers will reduce PageNet's marketing costs. This will enable PageNet to penetrate the market for voice mail more quickly, recover its sizable fixed costs of providing that service sooner, <sup>2</sup> and enable it to better serve the

In re Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, Notice of Proposed Rulemaking at ¶22 (released May 17, 1996) ("NPRM").

PageNet's investment in its PCS licenses alone is \$197 million.

public. Given the competitive nature of both CMRS telecommunications in general, and voice mail service in particular, there is little risk, if any, that CMRS providers will have the ability to leverage a market position unfairly from one CMRS service to another through the use of CPNI.

At the same time, differentiating local telecommunications services from interexchange and CMRS services for Section 222 purposes, will effectively curb the ability of dominant LECs to use CPNI unfairly to gain a competitive advantage in marketing their own interexchange and CMRS services.

PageNet, therefore, urges the Commission to adopt its tentative approach to distinguish telecommunications services for Section 222 purposes.

Respectfully submitted, PAGING NETWORK, INC.

By:

Jadith St. Ledger Roty Lee A. Rau REED SMITH SHAW & McCLAY 1301 K Street, N.W. Suite 1100 - East Tower Washington, D.C. 20005 (202) 414-9200

June 11, 1996

### CERTIFICATE OF SERVICE

I, Marolise Fegans, hereby certify that I have caused a copy of the foregoing "Comments of Paging Network, Inc." to be served on this 11th day of June, 1996 by U.S. first-class, postage prepaid, to the following:

ITS, Inc. 1919 M Street, N.W. Room 246 Washington, D.C. 20554

Marolise Fegans